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CITY OF PIKEVILLE BOARD OF COMMISSIONERS REGULAR MEETING MINUTES JANUARY 26, 1998

The Board of Commissioners of the City of Pikeville met in regular session on Monday, January 26, 1998. The meeting was held in the City Hall Public Meeting Room located at 260 Hambley Boulevard.

There being a quorum present, Mayor Steven D. Combs called the meeting to order at 6:00 p.m. Commission Members present at roll call were:

MAYOR: STEVEN D. COMBS
COMMISSIONER: BILL BLACKBURN
EUGENE DAVIS
JOHNNY MOUNTS
SHARON CLARK

AGENDA ITEM II. MINUTES

The minutes for the previous regular meeting held on December 22, 1997 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Davis made the motion, seconded by Commissioner Mounts to approve the minutes as submitted. The motion carried 5 - 0.

AGENDA ITEM III. BUSINESS FROM THE FLOOR

A. Presentation: During the previous City Commission Meeting, an ordinance was adopted to name a street in the river fill, near the extension office property, in memory of John Bill Trivette. The Commission had prepared a frameable copy of the Ordinance and a duplicate street sign to be given to Mrs. Justine Trivette. Accepting the presentation in Mrs. Trivette's absence were her sons, Ken and Sid. Ken Trivette read the following response prepared by his mother: "My family and I want to express our sincere thanks and appreciation to our Mayor Steve Combs and the Pikeville City Commission for the honor you have bestowed upon my husband, John Bill Trivette. He loved our community, Pikeville High School, and all the young people he had the privilege to work with throughout the years. These wonderful years will long be remembered by many. I will always treasure and remember your thoughtfulness and kindness in bestowing this honor in his memory."

B. Shriners: The Commission heard a request from a representative of the Pike County Shrine Club and Hillbilly Clan 1, Outhouse2, to secure a long term lease for property in the Narrows, known as the transfer station property. The Shriners explained they wanted to construct a facility which would house a 200 seat auditorium, a conference room and a full kitchen. City Engineer, Jack Sykes, suggested that he be permitted to meet with the Shriner's representative to define the proposal, and would determine the transfer station schedule with PSG Manager Greg May. He added that he would prepare a property description and forward it to the City Attorney. The Mayor told the Shriners that it would be necessary for the City Attorney to prepare a proposed lease agreement. The Mayor told the Shriners that the proposed lease agreement would be forwarded to them for their review. Further discussion on the matter was delayed until the next City Commission Meeting.

C. Hillbilly Days Carnival: Leslie Combs appeared before the Commission to request permission to locate the Hillbilly Days Carnival on the river fill property from the theater to Huffman Avenue. Commissioner Mounts asked how close the carnival equipment is located to the theater. Ms. Combs told the Commission that the equipment is generally placed next to the building. The City Manager advised that he had spoken with the theater manager, Paul Spencer. He advised of the owner's complaints of access being blocked to the theater by the carnival. Mr. Blackburn and the Fire Chief told the Commission of the need to keep two lanes opened for through traffic. Ms. Combs told the Commission that the Chamber of Commerce can dictate how the carnival places their equipment and assured that measures would be taken to prevent blocking access to the theater. Mayor Combs made the motion to grant permission to the Chamber of Commerce to locate a carnival during Hillbilly Days in the area requested contingent upon working out the details with Paul Spencer of Cinema 10, the Fire Chief, and the Police Chief. Commissioner Mounts seconded the motion. The motion carried 5 - 0.

During discussion, it was noted that the Chamber of Commerce had increased the booth space fee by \$50.00 to reimburse the City for cleanup. Total reimbursement is \$7,500.00.

D. Audit Report: J. Donald Wallen of Wallen & Cornett, CPAs, presented the audit report for year ending June 30, 1997. During a brief summary, Mr. Wallen advised the Commission that the General Fund completed the year with a surplus of \$1,800,454 which increased \$538,000 from the previous year. The surplus was attributed to collecting more property taxes and business license fees than budgeted, while expending \$217,000 less in public safety; \$63,000 less in general government; and \$56,000 less in recreation. The Water & Sewer Fund ended the year with a net income of \$556,124; Gas Operations finished the year with a \$144,556 deficit and the Sanitation Fund also realized a loss in the amount of \$72,254. Mr. Wallen pointed out that each of the ending balances for the enterprise funds include depreciation. City Manager Blackburn advised the Commission that the Gas Fund actually incurred a \$360,000 loss. The audited figures take into account the transfers made from other funds to the Gas Fund. Referring to page 14 of the report, Mr. Wallen advised that the long-term debt had been reduced by about \$270,000. Commissioner Mounts asked if it would be possible for the auditor to prepare a

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synopsis of the report to present with next year's audit. Mr. Wallen told the Commission that he could prepare a supplement to summarize the extensive audit report. The Commission was asked to review the report and Mr. Wallen agreed to return to the next meeting to answer any questions.

AGENDA ITEM IV.

PAYMENT OF BILLS

A. CITY BILLS: A list of City Bills totaling \$342,836.83 was presented to the Commission for approval of payment. Not included on the bill listing was a \$300.00 request from Roger May and a \$15,000 reimbursement request from Stewart Adams. City Manager Blackburn advised the Commission that a tree had fallen on a house on Garred Street owned by Don Branham. There was no roof damage to the house, however the City was asked to pay for the removal of the tree. It was explained that the \$15,000 request from Stewart Adams was the remainder of the settlement between the City and Mr. Adams for the sewer line extension to Dark Hollow. Payment of the amount was to be made once the street repairs and landscaping were complete. The City Manager reported that the repairs had been satisfactorily completed. Commissioner Mounts made the motion, seconded by Commissioner Davis to approve payment of the bills as requested. The motion carried unanimously.

City Engineer Sykes presented a payment request from Lauffer Well Services in the amount of \$14,875.00, for the plugging and sealing of the gas well at lower Poor Farm Hollow. Mr. Sykes advised that some minor repair work is needed and asked that approval of payment be contingent upon completion of the work. City Manager Blackburn reminded the Commission that the cost for plugging and sealing the well would be reimbursed by the hospital. Commissioner Mounts made the motion, seconded by Commissioner Clark to authorize payment of the bill contingent upon completion of the minor repair work. The motion carried unanimously.

AGENDA ITEM V.

OLD BUSINESS

A. CITY ENGINEER'S REPORTS: Jack Sykes, representing Summit Engineering, City Engineers, gave a verbal status report of ongoing projects:

1. Harolds Branch Road Improvement Project: Mr. Sykes reported that the contractor will begin relocation of the water and gas lines on January 27th. Earthwork activities are expected to begin in early March. In the funding application to the Department of Transportation, the hospital had included the installation of a traffic control device at the intersection of the Bypass and Harold's Branch. Hospital officials believe that once their expansion is completed with all traffic routed through the Harolds Branch entrance, and the expected connecting of Harolds Branch to the river fill, the increase in traffic flow will warrant a signal. D.O.T. officials have looked at the current traffic counts and have determined there is no need for the device. Hospital officials have asked Summit Engineering to conduct a traffic study. While there will be no expense to the City, Mr. Sykes advised that he wanted to make the Commission aware of the request since the permit, if approved, will be issued to the City of Pikeville. The Commission had no objection to the request.

2. Water System Improvement Project: The \$2.1 million proposed improvements to the water system which includes renovations to the water intake; installation of 3 water storage tanks; addition of a 5th filter gallery and a degritting chamber for the Water Treatment Plant, has encountered problems with funding. Mr. Sykes explained that the City had applied for a \$350,000 grant from ARC and \$1.7 million from Rural Development Funds. Half of the Rural Development Funds were to be in the form of a grant and the other half a low interest loan. The problem is that no ARC grant funds have been awarded at this time and approval of the Rural Development Funds is contingent upon award of the ARC Funds. Mr. Sykes told the Commission that Rural Development Funds are awarded in February, April and October. If the City misses the February funding cycle, the cycle in April will mandate that most of the funds received will be in the form of a loan. Since the City has based its proposed sewer fee increases on receiving over \$1 million in grant funds, it was debated whether the City should try to fund the \$350,000 itself or if the project should be delayed until the October funding cycle. City Manager Blackburn suggested having a special meeting with the grant writer to discuss the options further. Mayor Combs encouraged the Commission to contact the legislators and the governor to seek release of the ARC Funds. Mr. Sykes told the Commission that the majority of the design work is complete for the project. Their project contract with the City provides that they will not be paid unless the project is funded. Mr. Sykes advised that no further work will be done until the funding scheme is determined.

3. 911 Mapping: The City Engineer reported that he has received the disks for the mapping as prepared by Tuck Engineering. The map system plots the entire city limits, the locations of all structures, and the location of utility poles. The mapping will enable the identification of city utilities lines and zoning as well as having the ability to generate topographical and other varieties of maps. The next step in the process is to reassign 911 addresses. For a fee of \$26,000.00, Summit Engineering will conduct a door-to-door inventory to identify the current addresses; identify the proposed addresses (based on 25 ft. increments); identify fire hydrant locations and will develop maps to be readily accessible by dispatch. The team will also plot the utilities that are readily identifiable. The fee does not include notification to the property owner advising of the new address, but does include coordinating the changes with the Post Office and Bell South. The mapping will not depict property boundaries, but Mr. Sykes advised this information could be added. Commissioner Mounts made the motion to enter into a contract with Summit Engineering to provide the 911 addressing services. Commissioner Davis seconded the motion. The motion carried unanimously.

Since Summit Engineering will have the capability of producing maps, Mr. Sykes advised that developers and property owners will want to avail themselves of this service. He suggested a fee rate as follows:

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For maps of areas of 0 to 25 acres: \$225.00
For maps of areas of 26 to 100 acres: \$750.00

Mayor Combs made the motion to adopt the fee schedule as suggested. Commissioner Mounts seconded the motion. The motion carried unanimously.

4. Keyser II Water Tank: City Engineer Sykes reported that he and City Manager Blackburn had met with Stewart Adams to try to negotiate an equitable funding arrangement for the installation of a 200,000 gallon water storage tank. As explained at the previous meeting, it was determined to be in the City's best interest to combine the water storage facilities to serve Mr. Adams' development in Keyser Heights/Dark Hollow and the Northmonte Subdivision. At present, there is a 30,000 gallon water storage tank serving the Northmonte Subdivision and it is recommended that the tank be replaced with at least a 100,000 gallon tank to provide adequate fire protection. Mr. Sykes presented two funding alternatives. Alternate 1 would provide the most direct and shortest route to the tank (located on Bob Billips' property). With a 10% contingency, the estimated cost of the tank and the waterline is \$291,500.00. To install a 100,000 gallon tank under the same scenario is estimated to cost \$256,850.00. Alternate 2 (located on Mr. Adams' property) would serve a greater area of Mr. Adams' property and is estimated to cost an additional \$30,000. Mr. Sykes recommended Alternate 1 and suggested that Mr. Adams fund the cost of the 100,000 gallon tank, leaving the City to pay about \$120,000.00, which includes renovations to the pumping station. Mr. Adams disagreed with the recommended option and advised the Commission that he would not grant the City the necessary right of way. While the combining of the water tanks to serve both areas would be beneficial to the City, the Commission had some question as to whether it would be more beneficial and economically feasible for the City to install a 100,000 gallon tank and for Mr. Adams to install a 100,000 gallon tank on his property. After considerable negotiation, Mr. Adams agreed to Alternate 2 and to reimburse the City \$127,500.00. Commission Members were not satisfied with the proposed reimbursement and authorized the Mayor, City Engineer and City Attorney to meet with Mr. Adams at 11 a.m. on January 28th in the Mayor's office for further negotiations.

B. CITY ATTORNEY'S REPORTS: Sam Carter was present in the capacity of Acting City Attorney, in the absence of City Attorney Russell Davis, Jr. The following items were presented for the Commission's consideration:

1. Retirement Ordinance: Presented for second reading was an ordinance to establish parameters for certain retirement benefits. Commissioner Mounts expressed his opinion that the dollar-for-dollar offset should apply to all recipients. The Mayor asked if the ordinance would apply retroactively. Mr. Carter gave his opinion that the provisions of the ordinance would apply retroactively, but advised that this point should be clarified with City Attorney Davis. Sue Smallwood told the Commission that she thought the proposed Ordinance unfair to those who were employed in August 1975 and who had 25 years of service with the City of Pikeville. She further added that she could qualify to receive the stipend from the City, however she is in the process of buying back some of her service time and commented that the way the ordinance is written, she is penalized for trying to provide a better retirement income for herself. After considerable discussion, it was suggested the ordinance be amended to provide for a dollar-for-dollar offset for CERS pensions for only the portion of the pension that the City contributed toward. The Commission agreed to the amendment. The clause that provided for the offset for any earned income was also deleted. The following captioned ordinance was given second reading:

ORDINANCE ESTABLISHING PARAMETERS FOR CERTAIN RETIREMENT BENEFITS

Mayor Combs made the motion, seconded by Commissioner Clark to adopt the Ordinance as presented. The motion carried by the following votes:

MAYOR:	STEVEN D. COMBS	YES
COMMISSIONER:	BILL BLACKBURN	YES
	EUGENE DAVIS	YES
	JOHNNY MOUNTS	YES
	SHARON CLARK	YES

2. Walter's Road Street Name: Presented and given second reading was an ordinance entitled:

ORDINANCE NAMING A PREVIOUSLY UNNAMED STREET ADJACENT TO WALTERS ROAD "MELISSA LANE"

Mayor Combs made the motion to adopt the Ordinance as read. Commissioner Mounts seconded the motion. The motion carried by the following votes:

MAYOR:	STEVEN D. COMBS	YES
COMMISSIONER:	BILL BLACKBURN	YES
	EUGENE DAVIS	NOT PRESENT AT
	TIME OF VOTE	
	JOHNNY MOUNTS	YES
	SHARON CLARK	YES

3. Escort/Dating Service Summary Ordinance: Second reading was given to a summary ordinance entitled:

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ORDINANCE ESTABLISHING REGULATIONS FOR ESCORT AND DATING SERVICES, REQUIRING A LICENSE THEREOF, SETTING A LICENSING FEE THEREFOR AND PENALTIES FOR VIOLATION OF REGULATIONS

Mayor Combs made the motion to adopt the ordinance as read. Commissioner Mounts seconded the motion. The motion carried by the following votes:

MAYOR:	STEVEN D. COMBS	YES
COMMISSIONER:	BILL BLACKBURN	YES
	EUGENE DAVIS	YES
	JOHNNY MOUNTS	YES
	SHARON CLARK	YES

4. Concealed Weapons Ordinance: Presented for first reading was an Ordinance captioned as follows:

ORDINANCE BANNING THE CARRYING OF CONCEALED DEADLY WEAPONS IN BUILDINGS AND ON PROPERTY OWNED BY BOTH THE CITY OF PIKEVILLE AND THE PIKEVILLE HOUSING AUTHORITY

The Commission amended the Ordinance to change the term "city property" to city owned buildings and public parks.

The Ordinance will be on file in the office of the City Clerk for public inspection. Second reading was scheduled for February 23, 1998.

5. Park Street Zoning Ordinance: Mr. Carter gave second reading to an Ordinance to amend the zoning for a certain portion of Park Street. Approval of the ordinance was delayed pending receipt of documentation that clearly identifies the tract affected.

6. Area Development Funds Resolution: Presented and read was the following resolution in support of Senate Bill 66:

WHEREAS, the Area Development Fund was created by the Kentucky General Assembly in 1978 to help address some of the capital needs of the cities and counties across the Commonwealth as defined in KRS 42.345 to 42.370; and

WHEREAS, until funds were withdrawn in 1994, the Area Development Fund was allocated to and administered at no cost by Kentucky's Area Development Districts, so that projects were considered and approved by local leaders working together with their legislators; and

WHEREAS, cities, counties and special districts in the commonwealth are experiencing severe financial constraints and hardships due to the increasing cost of delivering essential services coupled with a decrease in available funding for services and other capital needs; and

WHEREAS, the cities, counties and special districts in the commonwealth have identified projects that would improve the delivery of fire and ambulance services, family recreation, parks and community facilities, required equipment for jails and other county and/or city programs.

NOW, THEREFORE, The Pikeville City Commission, Pikeville, Kentucky does hereby declare the need for and does support the approach set out in SB66 to reinstate the funding program in the amount of \$10 million as proposed by Governor Paul Patton, and DLG Commissioner Bob Arnold, under the "Community Improvement Grant Program".

Adopted this 26th day of January, 1998.

Commissioner Davis made the motion to adopt the resolution. Commissioner Mounts seconded the motion. The motion carried unanimously.

7. Gas Rate Ordinance: Presented and given reading was an emergency Ordinance to increase the natural gas service rates. The Ordinance was read entitled:

EMERGENCY ORDINANCE ESTABLISHING NEW NATURAL GAS SERVICE RATES ON ALL CITY OF PIKEVILLE GAS CUSTOMERS

The new rate will take effect for bills issued after February 1, 1998. Commissioner Davis pointed out that the new rate is essential in light of the several increases from the city's wholesale supplier.

It was pointed out that delaying adoption of the Ordinance would increase the Gas Fund's shortfall by an estimated \$50,000.00 over the month of February.

Mayor Combs made the motion to declare an emergency and adopt the Ordinance as read. Commissioner Davis seconded the motion. During discussion, Commissioner Mounts voiced his opinion that a press release should be done to advise the public of the events that led to the necessary action to increase the rates and the City's efforts in securing a new source for natural gas.

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The motion carried by the following votes:

MAYOR:	STEVEN D. COMBS	YES
COMMISSIONER:	BILL BLACKBURN	YES
	EUGENE DAVIS	YES
	JOHNNY MOUNTS	YES
	SHARON CLARK	YES

8. Municipal Road Aid Resolution: The annual resolution to approve the contract between the City and the Commonwealth of Kentucky for the disbursement of Municipal Road Aid Funds was presented. The City's allocation from the state for fiscal year 1998-99 is \$77,646.00. Commissioner Mounts made the motion, seconded by Commissioner Clark to adopt the resolution. The motion carried unanimously.

C. CITY MANAGER'S REPORTS: Kenny Blackburn, City Manager, presented the following items for the Commission's consideration:

1. City Park Improvements: City Manager Blackburn reported that the Parks Revitalization Committee has expressed their intent to resume with improvements to the downtown park. During the budget work sessions, funds were placed in the revitalization account to install restroom facilities and a fountain. Commissioner Mounts expressed his opinion that restroom facilities should not be constructed until the railroad car is repositioned. He explained that he thought the restrooms would less likely be vandalized if the view was not obstructed by the railroad car. Mayor Combs directed the Clerk to find out when the next Tourism Commission Meeting was so he could approach their Board about repositioning the railroad car. The Commission had no objections to the Park Committee proceeding with the fountain installation.

2. Executive Session: The City Manager requested a closed session for the purpose of discussing a property negotiation matter and a personnel matter.

AGENDA ITEM VI. NEW BUSINESS

A. BOARD APPOINTMENTS: The Commission was advised of Bill Owens' resignation from the Pikeville Public Library Board, as well as, two term expirations on the Historic Preservation Board. Appointments were delayed until the next regular meeting.

City Manager Blackburn advised the Commission that notification had been received from the Kentucky Housing Corporation that the City had been awarded a \$25,000.00 grant for use at the Emergency Shelter. The Mayor suggested that Ms. Smallwood and the City Manager meet with officials at the Kentucky Housing Corporation to determine the criteria used in the award of Emergency Shelter Funds in an effort to prevent future operating shortfalls.

At 9:00 p.m., Mayor Combs made the motion, seconded by Commissioner Davis to adjourn to executive session to discuss a personnel matter and a property negotiation matter. The motion carried unanimously.

At 9:45 p.m., Commissioner Mounts made the motion, seconded by Commissioner Clark to reconvene to regular session. The motion carried unanimously.

Mayor Combs made the motion to appoint James G. Justice to the position of Police Chief for the City of Pikeville. Commissioner Mounts seconded the motion. The motion carried unanimously.

As requested by Fire Chief Hall, Mayor Combs made the motion, seconded by Commissioner Clark to employ Susie Childers as a full-time secretary for the Fire Department. The motion carried unanimously.

Police Chief Justice recommended the appointments of Sandra Reed and Paul Kimberlain to the position of police officers pending the receipt of satisfactory physical and mental examination results. Commissioner Clark made the motion, seconded by Commissioner Mounts to employ Sandra Reed and Paul Kimberlain as recommended contingent upon receiving the applicants' satisfactory physical and mental evaluations. The motion carried unanimously.

There being no further business to come before the Commission, Mayor Combs made the motion to adjourn the meeting. Commissioner Davis seconded the motion. The motion carried unanimously. (Adjournment Time: 9:50 p.m.)

APPROVED _____
STEVEN D. COMBS, MAYOR

ATTEST:

KAREN HARRIS, CITY CLERK